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CLASSIFIED MESSAGE

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ROUTING

1	4
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TO : DIRECTOR

FROM : []

ACTION: (WH 8)

INFO: CI, CI/OPS, FI, FI/INT 2, EE 4, WE 4, RF, VR

SECRET

DIR CITE [] 4632

REF A. HPLW 3114

B. DIR 73811

11 DEC 63 IN 37627

1. FOL ELICITED FROM FREDERICK SCHWEND. IN LATE 1942 HE DIRECTED TO GET SEVERAL BRITISH 5, 10, 20 AND 50 POUND NOTES AND TO COLLECT INFO ON RANGE OF SERIAL NUMBERS. PLATES THEN MADE BY TECHNICAL PEOPLE IN SD, AND PAPER PROCURED. FIRST BILLS PRINTED SPRING 1943. SCHWEND DOES NOT KNOW HOW MUCH PRODUCED BUT STATES WAS IN MILLIONS OF POUNDS. HE CLAIMS HE WAS RESPONSIBLE FOR DISTRIBUTION AND HAD FIVE PRINCIPAL AGENTS IN SWITZERLAND ITALY BELGIUM HOLLAND YUGOSLAVIA. THESE AGENTS HAD SUB AGENTS WHO MADE BLACK MARKET PURCHASES IN OCCUPIED COUNTRIES AND OPEN PURCHASES IN NEUTRAL COUNTRIES. BOUGHT WERE WAR SCARCE ITEMS REQUIRING HARDER CURRENCY THAN REICHMARKS. INCLUDED WERE DIAMONDS GOLD FOODSTUFFS AND RUSSIAN WEAPONS. OPERATION BECAME BLOWN AND WAS TERMINATED IN WINTER 1943. SCHWEND UNAWARE DISPOSITION OF PLATES BUT SAYS MAY BE IN 2500 POUND CACHE OF KALTENBRUNNER PAPERS WHICH HIDDEN IN OR NEAR LAKE TOPLITZ AUSTRIA. CLAIMS ONLY HE AND TWO OTHERS KNOW EXACT LOCATION, AND GERMAN GOVT PREVENTING HIS RETURN GERMANY OR AUSTRIA LEST HE RECOVER CACHE AND EMBARRASS GERM GOVT.

2. SCHWEND INDICATES HAS NOT BEEN APPROACHED CONCERNING REENTRY

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 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHODS EXEMPTION 3B2B
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2001 2008

EXEMPTIONS Section 3(b)

- (2)(A) Privacy ☐
- (2)(B) Methods/Sources ☒
- (2)(G) Foreign Relations ☐

FOR COORDINATION WITH SECRET SERVICE

NAZI WAR CRIMES DISCLOSURE ACT

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COUNTERFEITING FIELD. HAD VAGUE KNOWLEDGE OF WOMAN WHO TRANSITED
LIMA ONE OR TWO YEARS AGO CARRYING TWO OR THREE PACKETS COUNTERFEIT
DOLLARS. AT THAT TIME HE PASSED INFO ON TO DUBRIDER WHOM ☐ ☐
CONTACTING FOR DEBRIEFING.

JILL DUBRIDE MADE ROUTINE INVESTIGATION SCHWEND BUT LEARNED NOTHING
SIGNIFICANT. DUBRIDE-7 SAYS HE AN AGENT OF PERUVIAN MILITARY
INTELLIGENCE SERVICE. ☐ ☐ TO CHECK FURTHER THROUGH DUEBON.

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G/S COMMENT: REQUESTED REPLY TO HPLW 3114.

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